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CENTRAL INTELLIGENCE AGENCY INFORMATION REPORT

25X1A

COUNTRY France

SUBJECT Imports of Petroleum Products from Iron Curtain Countries

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1. Actual and projected imports of petroleum products from Iron Curtain countries have so far been confined to fuel oil and to crude oil.

Fuel Oil

2. An important market for low sulphur fuel oil has developed in France since the steel mills, through the Chambre Syndicale de la Sidérurgie, requested since that an effort be made by French refiners to produce a fuel oil having a maximum sulphur content of 1.8%.
3. Gironde had a virtual monopoly of this market until competitors were able either to manufacture or to import a similar product.
4. Rumanian fuel which had a sulphur content as low as 0.4%, finally found its way into the country as a result of a triangular commercial exchange between Rumania, Finland and France. Rumanian fuel is currently being imported by Carburants Industriels du Nord (Dossche) via Antwerp and by Lubridor at Rouen.
5. The import licence obtained by Dossche amounts to 40,000 tons. Out of this quantity, 27,000 tons have been imported into France via Antwerp between 1 Jan and 31 Aug 53. However, Carburants Industriels du Nord are experiencing some difficulty in placing the total quantity covered by their licence and it is not expected that more than 6,000 additional tons will be imported by them to the end of 1953.
6. Carburants Industriels du Nord have a contract with Inisor for 25,000 tons which represents 50% of their annual requirement. They have also made spot sales to Pompey and Solbe and are endeavoring to close a contract with the latter, amounting to 500 tons a month.
7. Lubridor obtained an import licence for 35,000 tons for six months. Imports are made at Rouen and stored at the installations of Compagnie Parisienne des

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Asphaltes. Fuel imported by Lubridor is for the French railways.

8. Petrofrance apparently have also the possibility of importing 25,000 tons of fuel, as they have recently offered Usinor two grades of fuel having a sulphur content of 0.4 and 0.2% respectively at \$ 27.60 and \$ 29.60 per metric ton delivered works as against our latest quotations of \$ 31.54 to the same customer.
9. The location of the steel mills in northeastern France has enabled importers of Rumanian fuel to compete strongly with French refiners for this business, with the consequence that unless we are prepared to sacrifice about \$ 4 on our price, we will not be able to retain our present share of this market.
10. The specifications of Rumanian fuel are as follows :

| | |
|--------------------------|----------|
| Specific gravity | 0.930 |
| Engler viscosity at 50°C | 6.47 |
| Sulphur | 0.38 % |
| Flash point | 113°C |
| Ash | 0.12 % |
| Cloud point | + 10 |
| Calories | 10,000 |
| Sediment & Water | 0.5/0.9% |

Crude Oil

11. 400,000 tons of Soviet crude are scheduled to be imported into France under the terms of a commercial agreement with the USSR. However, despite a pressing request by Dica, only one refiner has so far shown any interest in importing this crude viz R P P A (100,000 tons maximum, which has approached separately the Soviet representatives in France with a view to obtaining more definite information on the price and specifications of the crude offered. No indication has so far reached Chambre Syndicale on the former point, and, as regards the latter, the following specifications were given:

| | |
|---------------------------|-----------|
| Specific gravity at 20°C | 0.852 |
| Sulphur | 1.5 % |
| Water | 2% |
| Conradson carbon | 5.1% |
| Wax | 3.3% |
| Light ends up to 300°C | up to 46% |
| Final boiling point | 800°C |
| Engler viscosity at 200°C | 1.4 |

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